

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Balance Sheet**  
**As of 1/31/2005**

	As of <u>1-31-05</u>	As of <u>6-30-04</u>
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 1,469,876,238	\$ 1,408,965,677
INTERNATIONAL EQUITIES	687,705,786	619,279,473
DOMESTIC FIXED INCOME	1,538,612,848	1,392,735,177
INTERNATIONAL FIXED INCOME	146,167,789	128,573,435
REAL ESTATE POOL	197,355,934	171,657,037
VENTURE CAPITAL	124,656,459	119,537,408
INVESTED CASH (NOTE 1)	<u>77,897,347</u>	<u>105,239,583</u>
<b>TOTAL INVESTMENTS</b>	<b>4,242,272,401</b>	<b>3,945,987,790</b>
<b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	16,312,117	17,548,500
CONTRIBUTIONS/ASSESSMENTS REC	4,810,716	6,354,427
MISCELLANEOUS RECEIVABLES	<u>2,105</u>	<u>2,370</u>
<b>TOTAL RECEIVABLES</b>	<b>21,124,938</b>	<b>23,905,297</b>
<b>OTHER ASSETS</b>		
OPERATING CASH (NOTE 2)	7,791,953	8,511,301
DUE FROM OTHER AGENCIES (NOTE 3)	108,685	144,636
FIXED ASSETS (NET) (NOTE 4)	<u>423,388</u>	<u>423,388</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 4,271,721,365</u></b>	<b><u>\$ 3,978,972,412</u></b>
<b>LIABILITIES:</b>		
ACCOUNTS PAYABLE	2,813,877	2,975,624
ACCRUED EXPENSES	243,556	402,723
CAPITAL LEASES PAYABLE	12,945	12,945
DUE TO OTHER AGENCIES (NOTE 5)	<u>108,682</u>	<u>144,636</u>
<b>TOTAL LIABILITIES</b>	<b>3,179,060</b>	<b>3,535,928</b>
<b>NET ASSETS AVAILABLE:</b>		
NET ASSETS AVAILABLE BEGIN OF YEAR	3,975,436,484	3,478,716,828
CASH IN DURING YEAR (NOTE 6)	157,159,580	286,853,033
CASH OUT DURING YEAR (NOTE 7)	177,602,007	291,355,037
NET INCREASE (DECREASE)	<u>313,548,248</u>	<u>501,221,660</u>
<b>NET ASSETS AVAILABLE END OF PERIOD</b>	<b><u>4,268,542,305</u></b>	<b><u>3,975,436,484</u></b>
<b>TOTAL LIABILITIES &amp; NET ASSETS AVAILABLE</b>	<b><u>\$ 4,271,721,365</u></b>	<b><u>\$ 3,978,972,412</u></b>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Profit and Loss Statement**  
**For the Month Ended 1/31/2005**

	Month Ended <u>1-31-05</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 7,460,205	\$ 65,395,987
SECURITIES LENDING INCOME	976,711	4,546,576
	<u>8,436,916</u>	<u>69,942,563</u>
GAIN ON SALE OF INVESTMENTS	21,638,050	280,880,103
LOSS ON SALE OF INVESTMENTS	<u>20,284,521</u>	<u>149,687,378</u>
NET GAINS (LOSSES) INVESTMENTS	1,353,529	131,192,725
INVESTMENT EXPENSES	845,191	6,992,950
SECURITIES LENDING EXPENSES	<u>869,268</u>	<u>4,031,430</u>
NET INVESTMENT INCOME	8,075,986	190,110,908
NET APPREC (DEPREC) MARKET VALUE	4,650,343	147,321,999
MISCELLANEOUS INCOME/(EXPENSE)	<u>(630,687)</u>	<u>(1,761,679)</u>
TOTAL INVESTMENT INCOME	12,095,642	335,671,228
CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	5,483,249	28,640,287
PURCHASED SERVICE CREDIT (NOTE 9)	205,989	1,460,321
PENALTY & INTEREST (NOTE 10)	<u>400</u>	<u>2,047</u>
TOTAL ADDITIONS	<u>17,785,280</u>	<u>365,773,883</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	7,014,569	49,061,052
PARTIAL LUMP SUM BENEFITS PAID	0	141,053
REFUNDS TO MEMBER (NOTE 12)	<u>241,559</u>	<u>1,831,891</u>
TOTAL BENEFITS PAID	7,256,128	51,033,996
ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	74,613	523,439
OPERATING EXPENSES	125,194	668,200
EQUIPMENT	<u>0</u>	<u>0</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>199,807</u>	<u>1,191,639</u>
TOTAL DEDUCTIONS	<u>7,455,935</u>	<u>52,225,635</u>
NET INCREASE (DECREASE)	<u><u>\$ 10,329,345</u></u>	<u><u>\$ 313,548,248</u></u>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**January 31, 2005**

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1                      INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2                      OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3                      DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4                      FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5                      DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6                      CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7                      CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**1/31/2005**

NOTE 8                      CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9                      PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10                    PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11                    BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12                    REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.